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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
November 1958

Volume 3

Number 4

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY NOVEMBER 1958

The Order MINIMUM uniform price payable to producers for milk delivered during November to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley, and McMinn Counties Tennessee is \$4.88 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.4¢ for each one tenth of one percent above or below 4 percent.

During November 83.7 percent of total producer milk was priced in Class I at \$5.23 per cwt. with a handler butterfat differential of 7.6¢ and 16.3 percent was priced in Class II at \$3.35 per cwt. with a butterfat differential of 6.7¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 84.4% and 69.4% respectively.

The daily average deliveries of producer milk during November decreased 0.6% compared with October and increased 0.9% compared with November 1957. The daily average use of Class I milk decreased 4.3% compared with October and decreased 1.5% compared with November 1957.

NOTICE OF NEW MILK BASE FORMING PERIOD

Each producer for the Chattanooga Marketing Area will have a NEW MILK BASE to be used in making payment to such producer during the months of March through July 1959. The 1959 daily average base will be computed by dividing each producer's total Grade "A" milk deliveries to pool plants during Sept. 1958 through Jan. 1959 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. August 1958 through Feb. 1959, producers will be paid a uniform blend price for their total milk deliveries. Producers (particularly partnerships) are urged to see that their name is correctly listed with the handler receiving their milk. A BASE WILL NOT BE TRANSFERRED WITHOUT WRITTEN APPLICATION BEING RECEIVED BY THE MARKET ADMINISTRATOR. THE TRANSFER MUST BE SIGNED BY BASEHOLDER AND THE PERSON TO WHOM SUCH BASE IS BEING TRANSFERRED.

FEDERAL MILK ORDERS

The number of areas marketing milk under Federal Milk Orders has increased to where there were 75 Federal Milk Orders in 31 states during November 1958. There are 5 order areas in Tennessee; Appalachian (Bristol, Johnson City, Kingsport), Chattanooga (Athens, Chattanooga, Cleveland), Memphis-Jackson, Nashville (Ashland City, Nashville, Murfreesboro), Knoxville (Alcoa, Maryville, Oak Ridge, Knoxville).

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	Nov. '58	Oct. '58	Nov. '57
	20	20	21
Number of Plants (Pool and Non-Pool)			
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	198,970	207,694	292,108
Producer Milk - Bulk Tank	193,856	187,624	97,393
Total Producer Milk Pounds	392,826	395,318	389,501
% November '58 compared with:	100.0	99.4	100.9
Other Source Milk Pounds	10,616	11,208	9,595
Other Order Milk Pounds	23,285	20,559	11,909
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>426,727</u>	<u>427,085</u>	<u>411,005</u>
% November '58 compared with	100.0	99.9	103.8
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds			
Fluid Milk	274,311	286,508	269,783
Buttermilk	36,726	37,142	36,939
Chocolate Milk	7,165	7,931	6,688
Fluid Skim	6,651	6,727	4,987
Fluid Creams	2,106	1,982	2,056
Bulk to Non-Handlers	30,202	32,557	41,845
Class I Shrinkage	962	1,851	623
Inventory Reclass.	(1,872)	(2,401)	(1,149)
Overstated Sales	-	-	-
Total Class I Milk	<u>356,251</u>	<u>372,297</u>	<u>361,772</u>
% November '58 compared with:	100.0	95.7	98.5
Class II Milk Pounds (Used to Produce)			
Butter	4,445	3,076	3,199
Cottage Cheese	9,381	9,827	8,766
Powdered and Condensed Milk	20,263	11,701	18,847
Ice Cream	17,972	20,460	13,965
Inventory Variation	8,947	(147)	(3,682)
Other	9,468	9,871	8,138
Total Class II Milk	<u>70,476</u>	<u>54,788</u>	<u>49,233</u>
% November '58 compared with:	100.0	128.6	143.1
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>426,727</u>	<u>427,085</u>	<u>411,005</u>
% Producer Milk of Gross Class I	110.3	106.2	107.7
% Producer Skim of Gross Class I Skim	109.4	105.4	106.8
% Producer Butterfat of Gross Class I Butterfat	133.0	126.0	129.0
% Producer Milk Priced in Class I	83.7	87.7	88.4

DECEMBER 1958 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Dec. '58	Nov. '58	Dec. '57
Basic Formula (See page 4)	\$3.42	\$3.42	\$3.53
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.06	0.00
Class I Price, 4.0% Butterfat	<u>\$5.17</u>	<u>\$5.23</u>	<u>\$5.28</u>

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: October and November	
Supply: Lbs. Producer Milk (Oct. 12,254,859 and Nov. 11,784,761)	24,039,620
Demand: Lbs. Net Class I Milk (Oct. 10,975,998 and Nov. 10,152,582)	21,128,580
Utilization Percentage: Producer milk divided by Class I	114
Standard Utilization Percentage: Range 114 - 118	114
Net Deviation Percentage: Utiliz. % 114 -- Standard Utiliz. % 114	0
Supply-Demand Adjustment: 2 cents x 0 percentage points	\$0.00

Since the supply in relation to the demand is within the desired standard, the price is not affected by the supply-demand provision.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR NOVEMBER 1958
Based on 20 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		10,687,519	3.668		
Less Other Source		823,647	3.656		
Producer Milk Class I	83.7	9,863,872	3.668762	\$4.978259	\$491,049.10
Gross Class II		2,114,280	7.645		
Less Other Source		193,391	1.033		
Producer Milk Class II	16.3	1,920,889	8.310787	6.238227	119,829.42
TOTAL PROD. (Cl. I + Cl. II)	100.0	11,784,761	4.425402		610,878.52
Add Fractional Adjustment					.04
Add Compensatory Payment Value		181,245		0.35	634.35
Add Overage Value					-
Add Inventory Reclassification Value					-
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,840.34
TOTAL VALUE AT TEST		11,784,761	4.425402		617,353.25
Less Test Over 4% @ 7.4¢ per point		11,784,761	.425402	0.314797	37,098.07
TOTAL VALUE AT 4.0%		11,784,761	4.0	4.923776	580,255.18
Less Producer-Settlement Fund Reserve		11,784,761		.043776	5,158.90
UNIFORM PRICE f.o.b. POOL PLANT		11,784,761	4.0	4.88	575,096.28

NOVEMBER 1958 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.14	3.6	\$4.584	4.2	\$5.028	4.8	\$5.472	5.4	\$5.916
3.05	4.177	3.65	4.621	4.25	5.065	4.85	5.509	5.45	5.953
3.1	4.214	3.7	4.658	4.3	5.102	4.9	5.546	5.5	5.99
3.15	4.251	3.75	4.695	4.35	5.139	4.95	5.583	5.55	6.027
3.2	4.288	3.8	4.732	4.4	5.176	5.0	5.62	5.6	6.064
3.25	4.325	3.85	4.769	4.45	5.213	5.05	5.657	5.65	6.101
3.3	4.362	3.9	4.806	4.5	5.25	5.1	5.694	5.7	6.138
3.35	4.399	3.95	4.843	4.55	5.287	5.15	5.731	5.75	6.175
3.4	4.436	4.0	4.88	4.6	5.324	5.2	5.768	5.8	6.212
3.45	4.473	4.05	4.917	4.65	5.361	5.25	5.805	5.85	6.249
3.5	4.51	4.1	4.954	4.7	5.398	5.3	5.842	5.9	6.286
3.55	4.547	4.15	4.991	4.75	5.435	5.35	5.879	5.95	6.323

ACTIVITIES OF CHECK TESTERS November 1958: Plant Scales checked 6; Plant calls 112
Samples tested - Composite 1,895, Fresh 4,525, Finished Products 211

NUMBER OF FARM PAYROLL ACCOUNTS

	1957		1958											
	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	
Cans	675	667	647	641	626	614	600	586	553	516	490	474	449	
Bk. Tank	136	143	157	161	173	184	191	201	229	265	289	303	319	
TOTAL	811	810	804	802	799	798	791	787	782	781	779	777	768	
New	3	3	2	0	1	3	0	0	2	18	23	6	2	
Quit	4	4	8	2	4	4	7	4	7	19	25	8	11	

The producers delivering milk through farm bulk tanks has increased from 136 which was 16.8% of total producers in November 1957 to 319 which was 41.5% of total producers in November 1958. This is an increase in tank producers of 183 during the past year.

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Nov. '57	\$5.06 <u>1</u>	-	-	7.1¢	\$5.30 <u>1</u>	7.8¢	\$3.53	6.8¢
Dec.	4.87 <u>1</u>	-	-	7.2	5.28 <u>1</u>	7.7	3.54	6.9
Jan. '58	4.94 <u>1</u>	-	-	7.1	5.29 <u>1</u>	7.8	3.56	6.8
Feb.	5.02 <u>1</u>	-	-	7.1	5.31 <u>1</u>	7.7	3.16	6.8
Mar.	4.90 <u>2</u>	\$5.02 <u>1</u>	\$3.06	7.4	5.32	7.7	3.10	6.8
Apr.	4.57 <u>2</u>	4.83 <u>1</u>	2.98	7.2	5.37	7.7	3.02	6.6
May	4.35 <u>2</u>	4.58 <u>1</u>	2.94	7.2	5.08 <u>1</u>	7.5	2.98	6.6
June	4.33 <u>2</u>	4.48 <u>1</u>	2.95	7.2	4.96 <u>1</u>	7.5	2.99	6.6
July	4.48 <u>2</u>	4.62 <u>1</u>	3.01	7.2	4.95 <u>1</u>	7.5	3.05	6.6
Aug.	4.59 <u>1</u>	-	-	7.2	5.06 <u>1</u>	7.5	3.10	6.7
Sept.	4.77 <u>1</u>	-	-	7.4	4.96 <u>1</u>	7.6	3.45	6.9
Oct.	4.86 <u>1</u>	-	-	7.6	5.14 <u>1</u>	7.8	3.36	6.7
Nov.	4.88 <u>1</u>	-	-	7.4	5.23 <u>1</u>	7.6	3.35	6.7
Dec.	-	-	-	-	5.17 <u>1</u>	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS				Highest or Basic Formula
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	(\$-cwt-4%)				
Month	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	Mid-West Cond.	Butter Cheese	Butter Powder	4 Tenn. Milk Mfg.	
Nov. '57	3.150	59.375	14.450	33.250	3.51	3.24	3.53	3.19	3.53
Dec.	3.146	59.685	14.475	33.250	3.51	3.25	3.54	3.21	3.54
Jan. '58	3.133	59.375	14.535	33.250	3.49	3.24	3.56	3.19	3.56
Feb.	3.110	59.375	14.460	33.250	3.47	3.24	3.53	3.16	3.53
Mar.	3.082	59.308	14.360	32.812	3.45	3.23	3.52	3.10	3.52
Apr.	2.956	57.750	13.405	31.057	3.32	3.13	3.37	3.02	3.37
May	2.896	57.661	12.525	31.727	3.26	3.14	3.33	2.98	3.33
June	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30
July	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33
Aug.	2.960	58.137	12.640	31.770	3.32	3.16	3.35	3.10	3.35
Sept.	2.995	60.250	12.635	32.062	3.37	3.26	3.45	3.11	3.45
Oct.	3.040	58.364	12.685	32.700	3.42	3.18	3.36	3.14	3.42
Nov.	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK ³					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	of		Farm -- Pounds			Milk
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.	Prod.	Prod.	Base	Exc.	Test %
Nov. '57	361,772	344,415	389,501	-	411,005	21	811	480	-	-	4.49
Dec.	319,015	301,282	386,242	-	408,374	22	810	477	-	-	4.50
Jan. '58	333,724	316,224	386,527	-	407,418	22	804	481	-	-	4.48
Feb.	337,832	319,309	363,475	-	385,707	22	802	453	-	-	4.47
Mar.	329,719	310,776	376,313	353,279	400,141	23	799	471	442	29	4.30
Apr.	315,814	292,133	431,190	371,749	458,987	23	798	540	466	74	4.22
May	311,391	287,275	429,256	369,197	458,164	21	791	543	467	76	4.22
June	288,811	265,772	382,696	344,531	411,822	21	787	486	438	48	4.11
July	300,068	276,595	359,524	328,401	389,251	21	782	460	420	40	4.16
Aug.	324,059	297,463	383,430	-	415,307	21	781	491	-	-	4.11
Sept.	379,939	350,615	392,148	-	429,253	21	779	503	-	-	4.17
Oct.	372,297	346,532	395,318	-	427,085	20	777	509	-	-	4.35
Nov.	356,251	328,796	392,826	-	426,727	20	768	511	-	-	4.43

1 Excludes Premium2 For statistics only3 Other Source is Gross minus Producer;
Receipts is Producer minus Base

Class II is receipts minus Class I; Excess